

# ECONOMIC COUNCIL LETTER

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## Let's Talk Plainly

IN recent months the National Economic Council has had reason to believe that its work for the restoration of the American Republic, and for the rooting out of communistic influences in the United States, is bearing richer fruit.

One indication is the stepping up of the smears. Ever since the Council first recognized in 1935 that the forces that tended constantly to increase government spending—all for the good of the people, of course—and constantly to increase the regimentation of the American people—likewise for their own good, of course—were Marxist forces coming straight out of Moscow: ever since we first recognized this, we have been the target of vicious smears. These smears came from outright Communists and fellow travelers; likewise from a multitude of “liberal” organizations of various kinds which, however unconsciously, have been playing the Marxists’ game. Lately they have reached a new high.

For a long time we were puzzled as to the source of these smears. The last year or two we have been less puzzled. Now we think we know. We think they are neither accidental nor by coincidence. And of course the smearing of the Council and its officers is merely part of the smearing of all groups and individuals whose aims are similar to the Council’s.

In our last Letter we suggested to the Congress of the United States that it investigate the Anti-Defamation League. A real investigation of this outfit, and of such allied outfits as Friends of Democracy, would let in a lot of daylight on a good many things that have been going on lately.

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The National Economic Council is not going to keep silent any longer. For several years it has sat relatively still when the dirtiest and ugliest smears were poured out through such publications as the *Daily Worker*, *PM*, the *New York*

*Post*, and through such radio talkers as Walter Winchell, Drew Pearson, “William S. Gailmor” and others.

We have mentioned before some of the grosser incidents, but they should be recalled now.

There was the Gailmor case. Gailmor, whose real name was William Margolies, had pleaded guilty a few years ago to the theft of six automobiles. He had influence enough (what was the influence?) to get himself committed to a mental institution, and to get out on parole within a year. The influence back of him was enough then to get him a job as radio commentator, believe it or not—while still on parole for theft—for station WHN, and also for the American Broadcasting Company. Such people have been helping to mold American opinion!

One of our many Jewish friends told us in August 1944 that he had attended a 100% Jewish meeting in July 1944 in the Catskills under the auspices of *The Protestant* (what influence is back of *The Protestant*?) and that one William S. Gailmor had there told the crowd, preparatory to taking up a collection of several hundred dollars, that the previous June, at a meeting in Chicago of the Resolutions Committee of the Republican National Convention, the President of the National Economic Council had consumed a full hour in a strongly anti-Semitic speech which was applauded by the Resolutions Committee under the chairmanship of Senator Taft!

Nothing about the story was true. Members of Congress and other persons who had been present readily asserted that no speaker had uttered a single word against the Semites at that meeting, nor had any speaker been permitted more than the ten minutes rigidly fixed by the chairman. As John T. Flynn said, it was a lie out of the whole cloth.

Nevertheless, for many months after that story was published, the American Broadcasting Com-

pany continued Gailmor on its program. And a prominent lecture bureau sponsored him.

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Then there was the case of the B G Corporation which cancelled a \$20,000 per year insurance policy because the president of the National Economic Council was a member of the insurance company's board. Mr. Hart and two insurance associates called on Mr. Lawrence Goldsmith, the B G Company's president (whose brother Arthur G. Goldsmith is active in smear organizations). Goldsmith devoted two hours to reading off a list of persons he and his associates (he did not disclose who they were) accused Mr. Hart of "knowing" and whom he did not think we should know. He finally told us in the presence of witnesses that he knew Mr. Hart's statement that he (Hart) did not know Father Coughlin (of course he had a perfect right to know him if he wanted to, though it happened he did not) and had never communicated with him was a lie, because (said Goldsmith) "we have ways of finding out about things, and I can tell you now that we have checked and rechecked and are certain that during the past two years you have telephoned Father Coughlin every day from your office in New York."

Promptly Mr. Hart called the New York Telephone Company, instructing Goldsmith to listen in on a nearby extension, which he did. Mr. Hart ascertained over the 'phone that the company kept a record of its long distance calls for a year or more, and that it could and would report how many calls had been made during that period between his office and that of Father Coughlin in Michigan. The Company agreed to send a carbon copy of its report to Lawrence Goldsmith. A week later the Telephone Company reported it had checked its records and that no call had ever been made. Nevertheless, Goldsmith persisted in his cancellation of all his insurance policies with the company in question.

We said nothing for a couple of years about this intimidation and back-room, cowardly application of force. When we published it in a Council Letter some two years ago, one of our Jewish friends called up and asked the name of the insurance company, and said he would see that enough insurance was switched to this company to offset Goldsmith's cancellation. Which he did.

Space prohibits our going further into these cases of anti-Gentile persecution applied to the National Economic Council. *For it has been our observation that of genuine anti-Semitism there is very little, while anti-Gentilism is rampant.* And it is conducted behind raucous cries of anti-Semitism.

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In the future we are going to expose any cowardly attack upon us, whether made at the instigation of Jews, Englishmen, Russians, Pata-

gonians or Icelanders. We are going to treat 'em all alike.

We spoke in Letter 155 of "John Roy Carlson's" new book, "The Plotters." This book, somewhat more guarded than the book "Under Cover" published in 1943, is similar in its smearing. It lists a good many hundred individuals, and by mentioning names together employs the new art of smear by association. Among those smeared are John T. Flynn, Samuel B. Pettingill, Frank Gannett and many others who are unassailable except by false innuendo and outright libel.

There are many references to the president of the Council. Some of them are harmless lies as, for instance, the statement on page 344 that the "Friends of Frank Fay Rally" at Madison Square Garden in January 1946 "was financed in part through Hart, but Hart wanted his role to remain under cover." Hart had nothing whatever to do with the financing, though if he had been asked to help he probably would have responded, in which case he would have been perfectly willing to have the fact made known. The meeting was one of the most successful and inspiring ever held in New York.

Carlson (whose real Armenian name is Avedis Derounian) said on page 384:

"Hart sued the Friends of Democracy for \$1,000,000. for alleged injury to his 'patriotism.' He withdrew the suit on the condition that the Friends of Democracy would not publicize his action."

The condition here assigned for terminating the suit was false. The facts are that the demands of time (let alone money) for the prosecution of the suit were so great that Hart found he would either have to give up his work with the Economic Council or give up the suit; and he chose the latter. He was all the more ready to give it up in view of the decision by the Supreme Court of the United States, written by Justice Frankfurter, to the effect that to call a man a "fascist" was merely to indulge in the ordinary give and take of every day conversation.

As a matter of fact, when Hart's counsel told counsel for the defendants that he would discontinue the suit without costs to either side, their counsel at once said they wanted costs. Hart's counsel said, "Look here, it would not take much to persuade Hart to go on with the suit. He has a good case. You better drop it without costs." And they promptly dropped it.

Now there is nothing a publisher shies at more than publishing a book or article that he has the slightest suspicion is libelous. Yet E. P. Dutton & Co. continued to distribute "Under Cover" after being warned that it contained indefensible smears if not outright libel. Some of those libeled did bring suit. Frank C. Waldrop, editor of the Washington *Times-Herald*, said in that newspaper on September 28, 1946:



"At Boston, on March 9, 1945, Conrad Chapman, the distinguished historian whom Derounian had smeared without mercy, had the satisfaction of receiving in the U. S. district court and the Massachusetts district court, abject and unqualified apologies from Master Derounian. 'Under Cover' wasn't the truth after all. It was just a lie."

And George W. Robnett of Chicago got a nominal verdict in the Federal Court there against Dutton (he also has a suit pending against Derounian) which carried costs estimated at \$25,000. As we reported two weeks ago, Judge Barnes, who had listened to Derounian at length, stated in open court:

"I think this book was written by a wholly irresponsible person who would write anything for a dollar. I think the book was published by a publisher who would do anything for a dollar."

"I wouldn't believe this author if he was under oath and I think he and the publisher are as guilty as anyone who was ever in this court before."

Yet Dutton now brings out a new book by Derounian—"The Plotters"! *The New York Times* book review of November 17, written by Charles G. Bolte, Chairman of the very communistic American Veterans Committee, speaks of "the exhaustive accuracy of the volume."

*The New York Herald Tribune*, in its Sunday review of the same date, employing as a reviewer Arthur Meier Schlesinger, Jr., says that—

"To gather material for the book Carlson went through the same long process of personal investigation which gave 'Under Cover' its ring of authenticity . . . Its very lack of technical slickness increases the sense of the stubborn honesty of the author."

Most people will be more impressed by Judge Barnes than by either Mr. Bolte or Mr. Schlesinger. And increasing numbers are wondering why these two newspapers are so willing to join up with this thoroughly left-wing book.

And how can it be that a publisher like Dutton dare publish so libelous a book on top of what the Chicago judge said?

There is only one "safe" way. That is for the publisher, if not the author himself, to be guaranteed against any loss arising out of libel actions.

Investigation by the Congress of the United States would discover whether in this case such a guarantee is the defense-armor of smear. We respectfully suggest Congress begin by investigating the Anti-Defamation League and its far-flung private spy system; also the admitted responsibility, at least in part, for Derounian's activities, by the Friends of Democracy. And if any individual or organization has guaranteed author or publisher against loss by libel suits, what is that but criminal conspiracy to defame?

Here is another incident which calls for investigation and exposure:

On November 12, our radio commentator, Upton Close, was the guest of honor at a private subscription dinner of the National Economic Council at the Waldorf-Astoria Hotel in New York. About 160 men and women assembled to pay him honor. Those present were there by invitation, together with their friends. Through lying and misrepresentation, a man who proved to be from the *Daily Worker* gained entrance. A photographer appeared saying he represented a reputable pictorial magazine and asked if he could take photographs. There being nothing secret about the dinner (Mr. Close was broadcasting from the speakers' table), he was allowed to do so. This photographer, too, lied as to his connection.

Those in attendance were representative citizens, men and women, many well known. The speakers included, besides Mr. Close and the presiding officer, Mr. Phil Stewart of Chicago, former Congressman Samuel B. Pettengill, and Mr. E. F. Tompkins, an official of the Hearst Press.

On November 14th the Communist smear-sheet published a list of the guests, a facsimile of the dinner program, and an article about the dinner in true *Daily Worker* style. On November 17th it published the photographs.

This article (together with other articles published by the *Daily Worker* since the dinner) were, we are advised by our legal counsel, a libel on everybody present. It asserted that "the fascist get-together was an all Gentile affair. No Jews were invited to the Jade Room. . . ." This was false. Jews were both invited and were present. It described those present as "Big Business fascists and gutter anti-Semites."

The November 14th issue falsely stated that Hart "has been calling for firing squads for liberals"; and also referred to "the shootings Hart is inciting." This was false. Council Letter 149 said only, with respect to Communists, that "we should provide the death penalty for every card-holding Communist Party member who holds public office and does not resign from that office within ten days after the signing by the President of the act . . ."—which provision is needed to safeguard America by outlawing the Communist Party. No other penalty will get Communist Party members out of office and thus end the absurd and tragic situation where men whose oath of allegiance to Soviet Russia outweighs their oath to the United States, sit in places where they actually share in the making of American policy, or in carrying it out, or are able to block any policy they do not like.

No wonder this mouthpiece of Stalin attacks the National Economic Council. Nothing could prove more conclusively the truth of what the Council has been saying.

The *Daily Worker* regularly pursues policies that incite violence. The murder on election day of Scottoriggio, the precinct worker for Bryan, candidate for Congress against the Communists' idol Marcantonio, has aroused many who were asleep. Unless groups like the Economic Council expose and fight these desperate men, we Americans will find, as people in other countries have found, that only one step beyond the smear and defamation squad is the liquidation squad. And unless men and women all over the United States support—even more generously than heretofore—groups like the Economic Council, there will be no groups with knowledge and guts enough to fight.

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So, in view of all of these things, let's think plainly and speak plainly. Nor will we be prevented by the hush-hush policy about Jews that has been encouraged at an accelerating rate in recent years at the instance of communistic and ultra-"liberal" Jews, to the irreparable harm of the great majority who are Americans before they are Jews.

In no country in the world have the Jews ever done as well for themselves as here. Most of them have accepted American principles, have been willing to match their very able wits and their resourceful personalities against non-Jews, and have asked no odds. They are Americans first, and Jews afterwards, just as Americans of Irish or French or Italian blood are Americans first and think only secondly of the race or country from which they came.

But, on the other hand, there are some Jews, a powerful, vocal minority, that are not satisfied with taking their chances in competition. They have set themselves up as a caste to dictate to all other Americans. And it is no mere verbal dictation. They are not averse to obtaining their way by intimidation. Their organized cry of anti-Semitism is but a smoke-screen to conceal their own anti-Gentilism. They are the loud-mouthed, selfish, egotistical, domineering Jews who lord it, not only over non-Jews, but over more reserved members of their own race.

It cannot be overlooked that a large number of the Communists in the United States are Jews, though it is not true that any considerable proportion of American Jews are Communists.

One had only to look around in the hearing room of the Ives committee which recommended and secured passage of the so-called Anti-Discrimination Law in New York to realize the backbone of the support of that bill was Jewish. One has only to note the populations of apartment houses and hotels in New York and many other big cities in the United States to realize that the

enormous influx of Jewish refugees the past ten years is far greater than can be accounted for by the official immigration figures. For today, while the shrill vocal Jewish groups are advocating the letting down of the immigration bars, many refugees, mostly Jewish, have streamed in illegally.

All of this is not happening by chance or coincidence. It is planned. Huge sums of money have, we believe, been contributed by Jews, and some by deceived non-Jews, to bring this situation about. If anti-Semitism is on the increase here, it is mostly due to the activities of these over-aggressive Jews. In threatening the country as a whole, they are threatening most of all the members of their own race. For the great mass of Americans will not submit indefinitely to the arrogant plotting that has gone on—a plotting responsible alike, we suspect, for the John Roy Carlsons and the smears of the *Daily Worker*. Ruthless intimidation has too long influenced American policy.

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Gentlemen of the Congress of the United States, this whole situation is too serious to be side-tracked. In justice to both Jews and Gentiles, it should be investigated and the facts laid before the American people. Life in the United States will be wholesomer and cleaner after this has been done. If any of our suspicions are wrong, we will readily admit it.

We do not believe they are wrong.

*Merwin K. Hart*

President

NATIONAL ECONOMIC COUNCIL, INC.

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P. S. The *N. Y. Times* of November 1, 1946 quotes Paul E. Fitzpatrick, chairman of the Democratic State Committee, as saying: "Jeffersonian democrats have a natural antipathy for the company of such characters as... Merwin K. Hart, who recently proposed life imprisonment for any public official guilty of progressive conduct..."

Since what Hart actually did propose was "life imprisonment for every office holder proven to have been a cooperator with Communists and who does not resign" (within 10 days after signing by the President of the act that makes these provisions), it would seem chairman Fitzpatrick regards a public official who cooperates with Communists as a person "of progressive conduct."

Mr. Fitzpatrick clearly got his "information" straight from the Communist *Daily Worker*.

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